

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6953

BILL NUMBER: HB 1197

NOTE PREPARED: Jan 16, 2008

BILL AMENDED: Jan 16, 2008

SUBJECT: Data Breaches.

FIRST AUTHOR: Rep. Pierce

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: ☒ **GENERAL**
☐ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill requires the Attorney General to publish notice of a breach of the security of a system on the Attorney General's Internet web site, and authorizes the Attorney General to initiate a program to educate consumers of risks posed by a security breach. The bill provides, for purposes of the law requiring the disclosure of a breach of the security of a system, that the unauthorized acquisition of a portable electronic device on which personal information is stored does not constitute a breach of the security of a system if the contents of the portable electronic device are encrypted and if the encryption key is not compromised. The bill also provides that, in the event of a security breach requiring notification, the data base owner's primary regulator and the attorney general must also be notified.

Effective Date: July 1, 2008.

Explanation of State Expenditures: This bill will increase administrative costs for the Attorney General (AG). The bill requires the AG to publish notice of a data breach on the AG's web site. The amount of the impact is indeterminable and will ultimately depend upon the number of breaches reported to the AG. It is estimated the notice could be published through the use of existing staff and resources.

The bill requires the notice to include the following information, if available: (1) The name of the organization breached. (2) The number of individuals and the number of Indiana residents whose information may have been compromised. (3) The date on which the breach occurred. (4) The circumstances of the breach. (5) Any other information the AG determines would assist an individual in determining whether the individual's personal information was compromised.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Attorney General.

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Adam Brown, 317-232-9854.